A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 63 - No. 13 JANUARY, 1986

YEAR ENDS ON UPBEAT FOR PAPER INDUSTRY

The trend of paper and paperboard demand gathered strength during the late months of 1985, culminating in a December seasonally adjusted rate at a new high for the year. Year-end shutdowns were kept to a minimum; the unadjusted production total for that month -- 5.4 million tons -- was only 4% below the November total -- less than half the usual decline -- and 4% above the year-ago total.

Paperboard demand was particularly strong, with the December trend level (the average of the November and December seasonally adjusted rates) at 35.0 million tons per year; in the earlier months of 1985 the trend was consistently below 34 million tons per year.

This year-end strength brought the 1985 production total to 67.2 million tons. This was within 1.8% of its 1984 high, with paper production off by 1.2% and paperboard production down 2.5%. The 1985 total was 3.4% above the earlier high of 65 million tons reached in 1983.

PAPER: The 1985 paper production total was 34 million tons. Although there was a mild inventory correction in the spring months of 1985, the rate of paper production held quite steady during the year, with the trend level for each month holding to within 2% of its 1985 monthly average.

There were, however, rather wide differences among the trends for the various grades of paper. Demand was strongest by far for the uncoated free sheet papers. As the table on page 3 shows, shipments of these papers after moving in a flat trend in the last half of 1984 resumed their advance in 1985 and moved to a record high of 9.7 million tons, 5.6% above 1984. The strength in demand was well distributed throughout its market structure. Among the writing paper grades, demand for both writing bond -- used largely for office copy papers -- and form bond -- used largely for computer printout papers -- was also at record-high levels. Shipments of uncoated free sheet paper to commercial printers were also strong, leaving only shipments to book printers and publishers falling significantly short of their year-ago levels. The strong pattern of new orders in the fourth quarter of 1985 suggests continued strength in shipments of uncoated free sheet papers in 1986.

Continued on Page 2

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The strength in demand for domestically-produced uncoated free sheet papers was accompanied by a 26% decline in imports (11 months data), which reduced the import total to about 3.7% of new supply. In 1984, reflecting both the strength of the dollar on the international markets and strong domestic demand evident in the early months of that year, imports of these papers were more than twice their 1983 total, accounting for 4.5% of the total new supply.

The strength in demand for uncoated free sheet papers was sufficient to offset weakness in the other major printing-writing paper grades, bringing the 1985 total of all these grades a shade above the 1984 high. As the table on page 3 shows, shipments of all the other major grades in this group were well below their 1984 rates.

The largest decline occured in coated papers, where the 5.9 million-tons total was 6.2% below its 1984 high. The demand trend apparently peaked in the first quarter of 1985, and then moved steadily downward in the remaining months of that year (See chart on page 4). New orders remained below shipments during the second and third quarters, but then averaged about 2% above the shipments total in the fourth quarter, indicating that the demand correction could have been completed.

The weakness in demand for domestically-produced coated papers was evident in virtually all its major markets -- magazines, other periodicals, commercial printers. The weakness in the magazine market reflected, in part, a reduction in the demand for magazine advertising linage, a reflection of lackluster retail markets that advertise heavily in magazines.

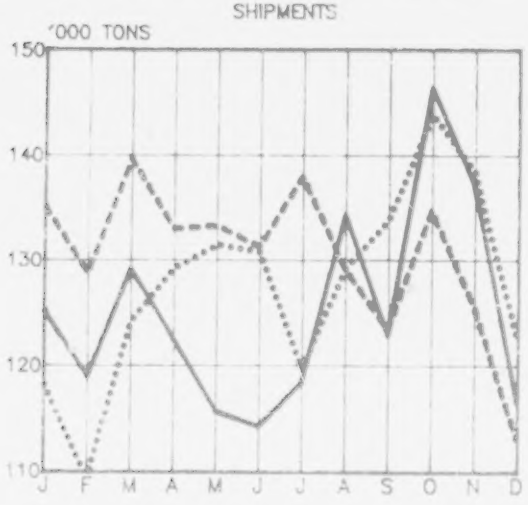
The strength in new orders evident in the last quarter of 1985 may be the signal of new strength in demand for these papers in 1986, and a shift toward domestically-produced papers. All through 1985, imports of coated printing papers continued the uptrend that began in 1983 and 1984, with the rate for the first 11 months of 1985, 18% above the 1984 total. At 500,000 tons for the year, imports would account for 8% of the total new supply, compared to 6.5% in 1984. This would bring the 1985 new supply to about 6.3 million tons, 5.5% below the 1984 total. The decline in the actual consumption of coated papers was probably much less than that, inasmuch as, users of the papers apparently increased their inventories in 1984 and reduced them in 1985.

Tissue paper was the only other major paper grade to show a gain from its 1984 total in 1985. The preliminary estimate of 4,941,000 tons of tissue paper production in 1985 puts the total at a new high, a shade above the earlier high reached in 1984. These are primarily consumer papers, with demand largely reflecting trends in consumer income and both the changing demographic patterns of the nation's population and changing life styles.

Continued on Page 10

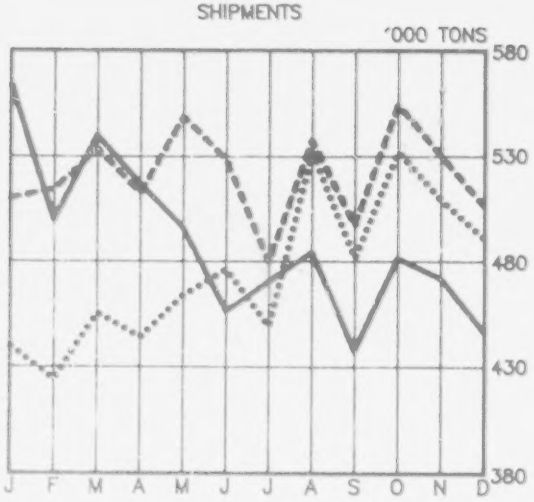
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



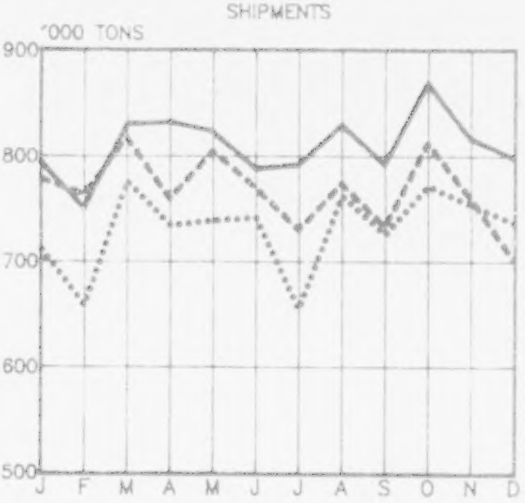
COATED PAPER

SHIPMENTS



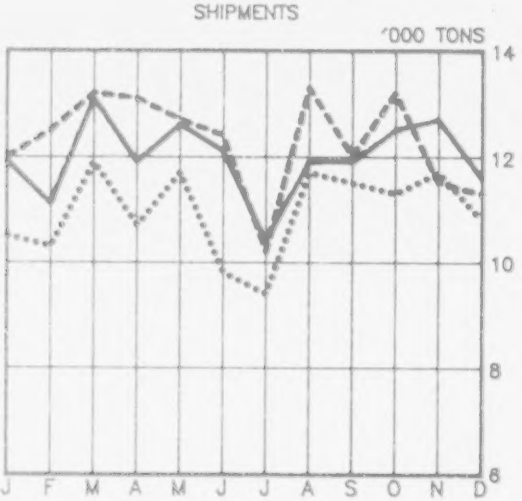
UNCOATED FREE SHEET PAPERS

SHIPMENTS



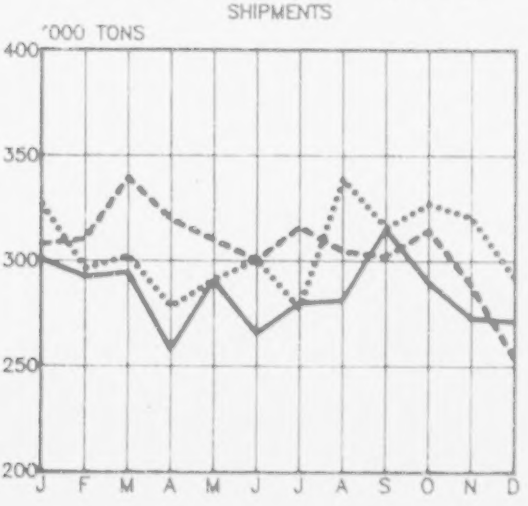
COTTON FIBER PAPER

SHIPMENTS



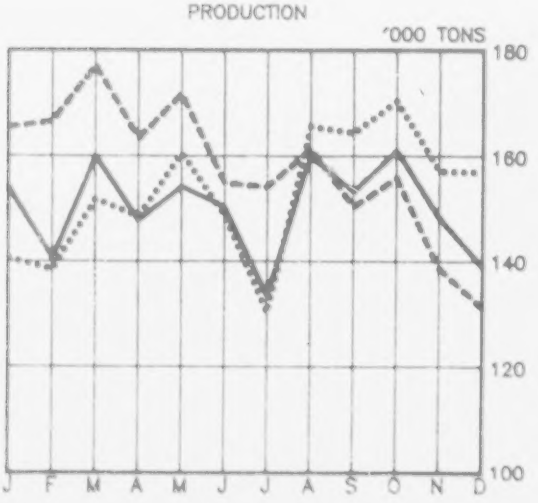
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1983 ····· 1984 - - - - 1985 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1983	YEAR 1984	AUG 1985	SEPT 1985	OCT 1985	NOV 1985	Annual Rate Y-T-D 1985	% Change from same Period Last Year
TOTAL WOOD PULP					P	P		
Total Wood Pulp - Production	52537	55548	4516	4411	4595	4521	54263	-2.9
- Imports	4091	4490	387	340	355	401	4502	1.3
- Exports	3644	3994	343	298	269	363	3814	6.5
- New Supply	52984	56044	4560	4453	4681	4560	54951	-3.1
Dissolving Pulp - Production	1261	1206	97	82	106	97	1182	-3.2
- Imports	142	181	11	23	15	17	179	15.0
- Exports	647	595	35	35	45	56	643	11.1
- New Supply	806	792	73	70	76	59	719	-10.0
Paper Grades - Production	42958	44732	3666	3608	3683	3676	41723	-2.8
Chemical Pulp - Imports	3706	4027	364	299	332	369	4123	3.2
- Exports	2958	3443	356	262	320	302	3143	6.6
- New Supply	43706	45316	3764	3645	3795	3743	44703	-2.9
Groundwood and - Production	536	5503	427	423	454	420	5292	-4.2
Thermo-Mech. - Imports	285	328	14	17	7	19	200	-32.1
- Exports	46	54	4	4	4	4	28	-47.7
- New Supply	5422	5782	437	439	457	435	5464	-5.2
Semi-Chemical - Production	4805	4150	348	328	354	328	4065	-1.2
- Imports					Included in Groundwood Pulp			
- Exports								
- New Supply	4805	4150	348	328	354	328	4065	-1.2
MARKET WOOD PULP								
Total Market - Production	6478	6801	581	574	589	585	6822	-1.4
Wood Pulp - Imports	2540	2968	267	233	239	226	2809	-4.1
- Exports	3421	3511	312	306	290	306	3746	7.6
- New Supply	5597	6258	536	501	538	506	5884	-7.6
Dissolving Pulp - Production	1260	1195	93	86	103	91	1181	-2.6
- Imports	142	204	14	24	11	15	180	-9.7
- Exports	647	640	48	43	53	55	653	-3.6
- New Supply	774	759	58	61	61	62	708	-1.5
Paper Grades - Production	5209	5596	483	475	482	487	5627	-1.2
Chemical Pulp - Imports	2385	2954	258	173	225	194	2537	-4.0
- Exports	2749	2851	263	263	237	255	3042	10.3
- New Supply	5061	5729	467	385	470	427	5072	-8.3
Groundwood Pulp - Production	13	10	1	1	1	2	14	7.3
and All Other - Imports	13	10	1	1	4	17	91	2.7
- Exports	0	0	0	0	0	0	1	0.0
- New Supply	26	20	1	1	5	19	104	2.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Packaging Group, APC. Total Wood Pulp Imports & Exports - Department of Commerce.

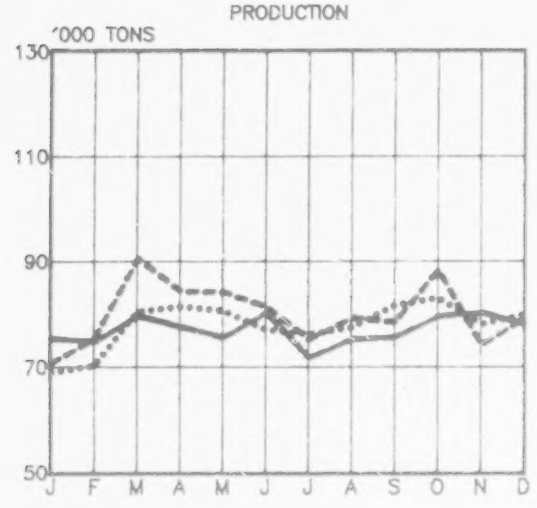
CANADIAN PAPER MATERIALS
(Thousands of Tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	66110	70679	5788	5804	5931	5867	68702	-2.9
Total Wood Pulp	51414	54954	4550	4554	4587	4603	53430	-2.7
Waste Paper	14696	15725	1238	1244	1334	1264	15271	-1.5
INVENTORIES								
Own Use Wood Pulp at Pulp Mills	156	174	180	194	175	148	180	18.1
Mkt Pulp at Pulp Mills (Paper Grades)	564	585	541	502	507	537	537	-8.2
Mkt Pulp at Ppr. & Bd. Mills *	350	484	410	477	428	398	389	-19.4
Waste Paper at Paper and. Mills	820	1025	938	933	918	954	954	-6.8
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	28	32	35	32	31	35	35	-16.7

SOURCES: Wood Pulp Data: Pulp Division, Pulp, Materials and Packaging Group, APC. Waste Paper Data: Paper Recycling Committee, APC.
P - Preliminary; R - Revised; * - Includes wood & fibre/filler/coat where known.

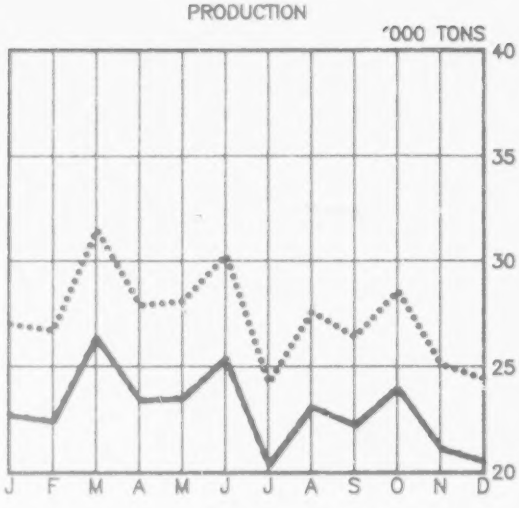
BLEACHED BRISTOLS

PRODUCTION



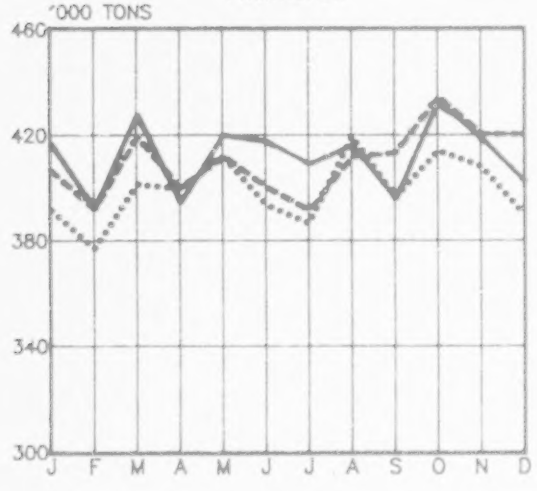
THIN PAPER

PRODUCTION



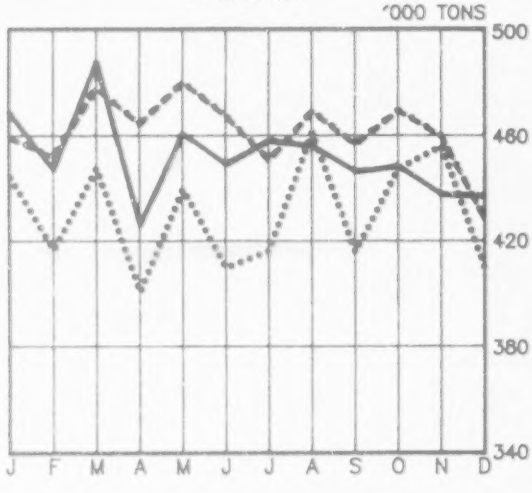
TISSUE PAPER

PRODUCTION



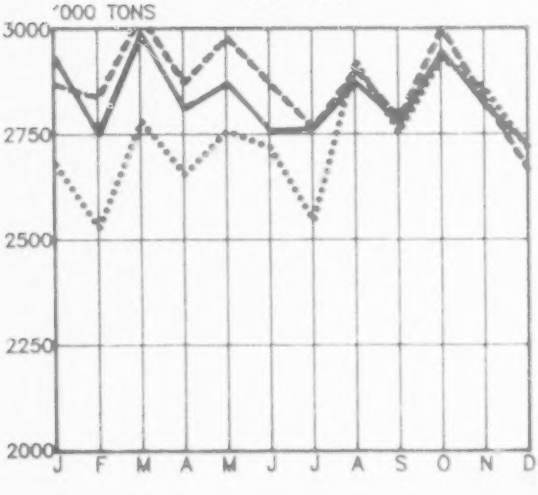
NEWSPRINT

PRODUCTION



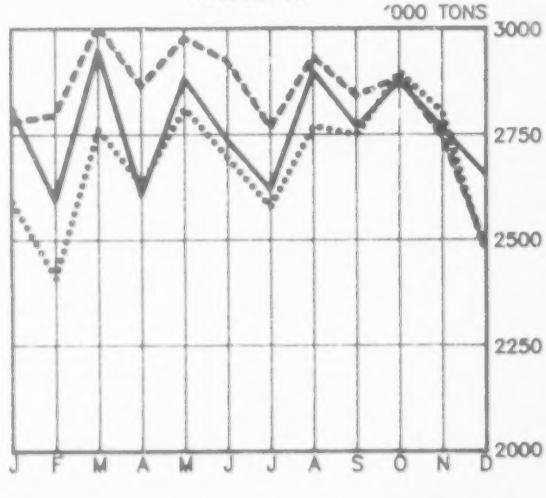
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1983 ••••••••• 1984 - - - - - 1985 ——————

		Year 1991	Year 1990	Aug. 1991	Jul. 1991	Jun. 1991	May 1991	Annual Rate Y-T-D 1991	% Change from same Period Last Year
Fellowes									
Total U.S.	- Total Machines	84475	88876	7010	6913	7980	6914	85791	-4.0
	- Total Shredders	87442	8.6%	6923	6734	7606	7162	86084	-2.4
	- Micromedia *	10770	12010	1048	2491	2927	2488	10703	-5.1
	- Industrial	5249	5514	491	4243	5312	5082		-4.7
So. Atlantic	- Total Shredders	23536	23654	2282	2057	2615	2322	23561	-0.4
	- Total Shredders	23547	23444	2246	2205	2574	2406	23814	1.3
	- Micromedia *	7968	8236	821	828	931	787	7947	-3.6
	- Industrial	1117	1212	104	1.43	1172	1044	1044	-17.6
Northeast	- Total Shredders	7370	7370	55	55	675	616	7439	-1.3
	- Total Shredders	7214	7314	615	615	743	614	7413	-1.0
	- Micromedia *	1543	1636	116	116	129	149	1565	6.0
	- Industrial	511	540	43	43	57	50	503	-7.3
South Central	- Total Shredders	24809	24838	2423	2183	2645	2417	24859	-2.8
	- Total Shredders	25115	25054	2414	2414	2651	2578	25024	-1.9
	- Micromedia *	4276	4358	418	418	547	427	4276	1.8
	- Industrial	1216	1264	111	1.43	1.47	1192	1192	-7.4
West Central	- Total Shredders	6481	6930	594	594	721	614	6485	-6.6
	- Total Shredders	6141	6.1%	594	594	706	523	6330	-5.0
	- Micromedia *	1.84	1.84	1.84	1.84	1.84	94	1324	-12.1
	- Industrial	1.84	1.84	1.84	1.84	1.84	1.84	896	-5.7
West	- Total Shredders	12614	12884	1.84	1.84	1.84	1.84	14429	-10.6
	- Total Shredders	14.84	14.84	1.84	1.84	1.84	1.84	14412	-4.8
	- Micromedia *	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-11.6
	- Industrial	1.84	1.84	1.84	1.84	1.84	1.84	1.84	3.3

* - Micromedia is Shredders [illegible] Source: [illegible] Fellowes [illegible] (T Tec-88)

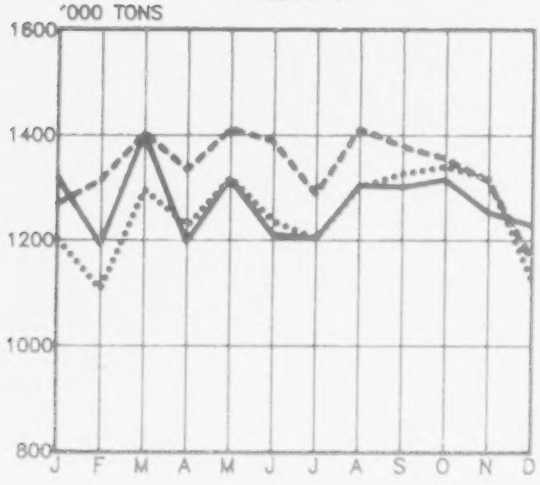
		Year 1991	Year 1990	Aug. 1991	Jul. 1991	Jun. 1991	May 1991	Annual Rate Y-T-D 1991	% Change from same Period Last Year
Pulpwood, Roundwood									
(in cords of 128 cubic feet)	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-89.0
Pulpwood, Chips	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-82.5
Wood Pulp, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-3.7
Waste Fibrous Materials, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-7.6
Paper, Board & Products, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.4
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.3
Paper, Paperboard & Products	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	4.3
Paper & Paperboard, Only	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	4.5
Paper, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	3.4
Newsprint	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	5.6
Printing, Writing & Bkl. Pap.	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.8
Pack. & Ind. Conv. Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	13.4
Special Industrial Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	5.0
Tissue Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	21.5
Paperboard, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	29.4
Converted Papers&Paperbd Products	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	5.7
Wet Machine Board	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.4
Construction Paper & Board	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-21.8

Pulpwood, Roundwood									
(in cords of 128 cubic feet)	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-41.7
Pulpwood Chips	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-21.3
Wood Pulp, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-3.4
Cotton Pulp & Other Pulp	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-1.7
Waste Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-10.1
Paper, Board & Products, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.3
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.0
Paper, Paperboard & Products	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	4.3
Paper & Paperboard, Only	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	4.5
Paper, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	3.4
Newsprint	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-5.6
Printing, Writing & Bkl. Pap.	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-1.8
Pack. & Ind. Conv. Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	13.4
Special Industrial Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-5.0
Tissue Paper	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-21.5
Paperboard, Total	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-29.4
Converted Papers&Paperbd Products	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-5.7
Wet Machine Board	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-1.4
Construction Paper & Board	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84	-21.8

SOURCE: Bureau of Census (WOOD[illegible] T. [illegible] (T Tec-88)

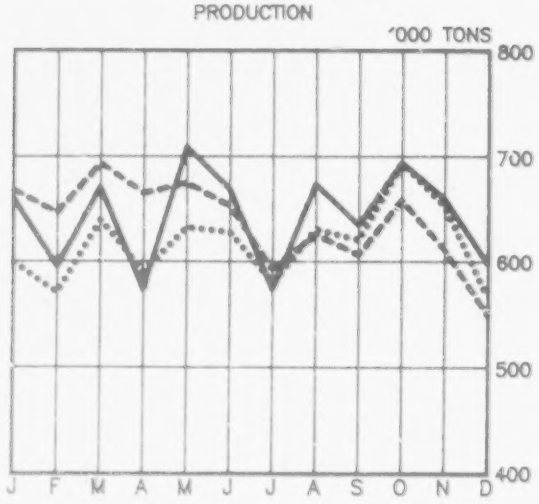
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



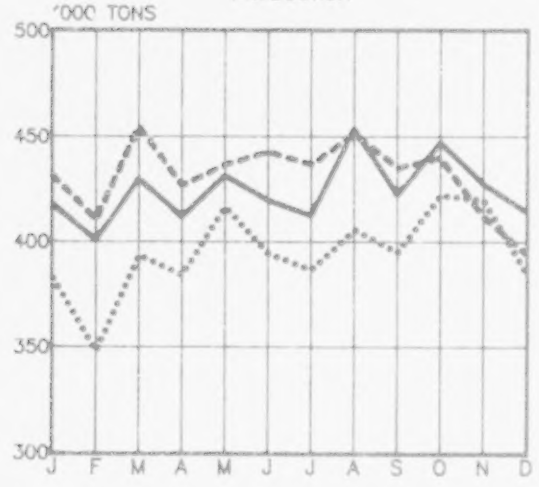
RECYCLED PAPERBOARD

PRODUCTION



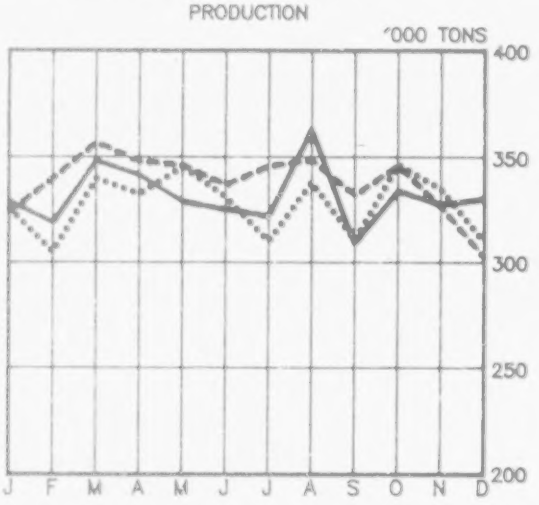
SEMICHEMICAL PAPERBOARD

PRODUCTION



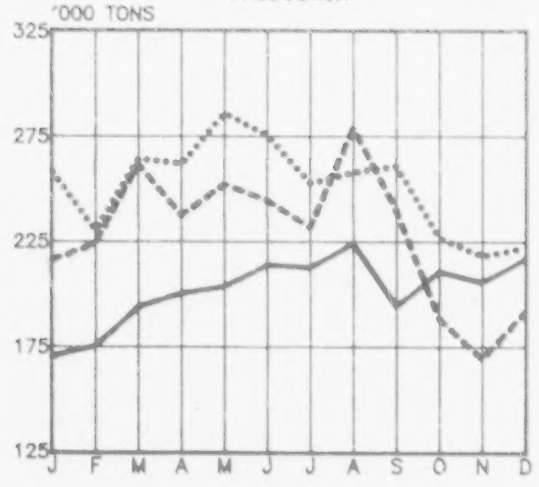
SOLID BLEACHED PAPERBOARD

PRODUCTION



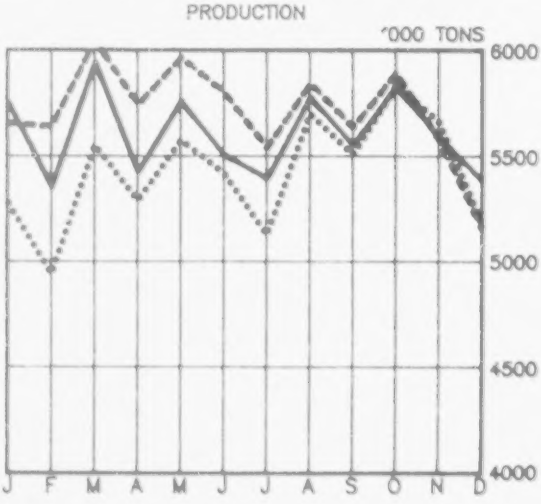
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1983 ••••••••• 1984 - - - - - 1985 ———

							Annual Rate X-T-D 1989	% Change from same Period Last Year
Pulpwood, Roundwood								
Pulp, Total								
Total All Imports								
Wood Pulp, Total								
Waste Paper								
Other Fibrous Materials								
Paper, Board & Manufactures, Total								
Paper, Newsprint and Machine MG								
& Uncoated Paper & Board								
Paper, Board & Manufactures								
Paper & Paperboard, MG								
Paper, Total								
Newsprint								
Printing & Writing								
Uncoated Groundwood								
Coated Fruit & Vegetable Pulp								
Uncoated Free Sheet								
Uncoated Mech								
Writing and Similar Paper								
Duplicator Quality								
Bristols								
Total Pkg & Other Paper								
Unbleached Kraft Paper								
Other Pkg & Indust. Paper								
Tissue								
Paperboard, Total								
Solid Wood Pulp								
Total Linerboard								
Bleached Kraft Linerboard								
Unbleached Kraft Linerboard								
Other Unbleached Kraft								
Other Bleached Board								
Semi-Chemical & Recycled								
Recycled Paperboard								
Coated Paper/Paperboard MG Board								
Paper Products, Total								
Paperboard Containers, Total								
Wet Machine Board								
Construction Paper & Board								
Other								
Other MG Weight Basis, Total								
Total Imports (MG Equivalent)								

Pulpwood, Roundwood								
Pulp, Total								
Total All Exports								
Wood Pulp, Total								
Waste Paper								
Other Fibrous Materials								
Paper, Board & Manufactures, Total								
Paper, Newsprint and Machine MG								
& Uncoated Paper & Board								
Paper, Board & Manufactures								
Paper & Paperboard, MG								
Paper, Total								
Newsprint								
Printing & Writing								
Uncoated Groundwood								
Clay Coated Paper								
Uncoated Free Sheet								
Other Printing & Writing								
Total Pkg & Other Paper								
Unbleached Kraft								
Other Pkg & Indust. Paper								
Tissue								
Paperboard, Total								
Solid Wood Pulp								
Total Linerboard								
Bleached Kraft Linerboard								
Unbleached Kraft Linerboard								
Other Unbleached Kraft								
Other Bleached Board								
Semi-Chemical & Recycled								
Recycled Paperboard								
Coated Paper/Paperboard MG Board								
Paper Products, Total								
Paperboard Containers, Total								
Wet Machine Board								
Construction Paper & Board								
Other								
Other MG Weight Basis, Total								
Total Exports (MG Equivalent)								

							Annual Rate Y-T-D 1985	% Change from Same Period Last Year

Continued from Page 2

Demand for the packaging papers showed the largest declines, with unbleached kraft papers falling 7% from their year-ago rates. Declines were evident in virtually all the major kraft paper markets, reflecting further inroads of flexible plastic packaging materials.

PAPERBOARD: Although demand for paperboard did show a decline from the record high 1984 rate in 1985, much of the weakness can be traced to declines in exports. Production of paperboard for export, as shown in the table on page 3, fell by 11.5%, largely reflecting a 16% decline in kraft linerboard exports.

Production of containerboard for domestic use in 1985 declined by 2.5% from its 1984 level,to 20.4 million tons per year. Shipments of corrugated shipping containers in 1985, at 264 billion square feet, showed a smaller 1.3% decline. The difference can be largely traced to reduction in inventories of containerboard at mills and plants in 1985. Inventories at both mills and plants declined by 353,000 tons during 1985, compared to a gain of 196,000 tons in 1984.

Production of boxboard for domestic use, less affected by inventory changes, showed only a 0.5% decline from its 1984 total in 1985. Folding boxboard production for domestic use held the gains it made in 1984, matching its 1984 total. More importantly, the December 1985 total was 11% ahead of its year-earlier level, with the solid bleached and recycled folding boxboard grades sharing equally in the gains. For 1985 as a whole, however, production of solid bleached folding boxboard for domestic use eased by 1.7%, while the recycled grades showed a 1.7% gain.

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Production of the milk carton and food service grades followed a pattern somewhat similar to that of folding boxboard, with the December 1984 total 10% ahead of its year-earlier level and total output for the year down 0.7%. However, demand for milk carton stock continued its long-term downtrend in 1985, while output of cup and container stock showed a modest increase and plate, dish and tray stock held steady.

In sum, it appears that demand for paper and paperboard turned around smartly in the closing months of 1985. The paper industry is entering 1986 with a production rate in the neighborhood of 69 million tons per year, which if sustained, would bring the 1986 total to another new high.

IMPORTS & EXPORTS

Total tonnage imports of paper, paperboard and products (excluding the construction grades) for the first eleven months of 1985 were 4.7% above their comparable year-ago figure, as shown in the table on page 9. Although the trade-weighted value of the dollar at the end of the year was 25% below the peak reached in early March, paper and paperboard imports increased in the September-November period. The rate in those three months was 11.5 million tons per year, compared to a 10.7 million tons per year rate in the previous five months. It normally takes some time -- six months to a year is not unusual -- for a decline in the international value of a currency to make a real impact on the rate of imports or exports. Imports of paper and paperboard in November did move downward. The November total amounted to 916,000 tons, 71,000 tons below the October level.

The October-November rate of imports was equivalent to 15% of the estimated new supply total of paper, paperboard and products for the quarter. For all of 1985, imports accounted for about 14% of total new supply. The 1985 new supply total, estimated on the basis of the 12-month production total and 11 months total of imports and exports, amounted to 74.. million tons, 0.5% below the 1984 high of 74.7 million tons.

Wood pulp imports in November 1985, at 401,000 tons, were 47,000 tons above their October level and some 7% above the January-November 1985 monthly average, but 3% below their year earlier level. Total wood pulp imports in the first 11 months of 1985 were at the rate of 4.5 million tons per year, 1.3% above the comparable 1982 rate.

The total of all imports of paper and allied products -- including waste paper -- for the first 11 months of 1985 was at a rate of 16.2 million tons per year, up 2.9% from the same time period last year. The dollar value was at the rate of $7.5 billion per year, also up 1.3%, pointed to a stable average-value-per-ton rate.

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Among the paper grades newsprint imports continued strong rising 7.3% above the 1984 level, with around 2% of the gain coming from markets other than Canada. Imports of packaging and tissue papers were also above their 1984 levels, at 13.1% and 88.7% respectively, although the latter gain represented only 25,000 tons per year.

Exports, still reflecting in part the strength of the dollar, were down from their year-ago levels. Exports of paper, paperboard and products (excluding the construction grades) for the first 11 months of 1985 were at a rate of 4.0 million tons per year, 8.3% below their year-earlier rate. This decline continued to center on the paperboard grades, with an especially sharp drop in kraft linerboard.

Paper exports were down 3.4%, paced by an 11% decline in exports of packaging and other paper. The decline was centered on unbleached kraft paper exports, which fell 35%, to a 69,000 tons per year rate. The larger export total of the other packaging papers, at 175,000 tons per year, were 3.5% above their corresponding 1984 levels. Exports of tissue rose 10.6%, to a 19,000 tons per year rate.

In addition to the imports and exports data in the table on page 9, data on paperboard production for exports, as reported to the API, are shown in the table on page 3.

FIBROUS RAW MATERIALS

Production of chemical paper grade market pulp declined seasonally by 55,000 tons in December, to 394,000, tons bringing the total for the year to 5.6 million tons, 1.6% below the year-earlier total. Total shipments of these grades in 1985, however, were up 4%, to 5.7 million tons, reflecting a 117,000 ton reduction in inventories at market pulp mills. This brought the year-end level of inventories to 30 days of supply at the rate of shipment during the preceding three months, compared with 35 for November and 42 for December of 1984.

Imports of chemical paper grade market pulp in December amounted to 217,000 tons, 12.5% below their year-ago level. The 11 month 1985 rate was 2.5 million tons per year, 4% below their comparable year-ago level.

Exports of chemical paper grade market pulp in 1985 totaled 3.1 million tons, 10.3% above their 1984 total. The gains were concentrated in exports to Japan and other countries outside Western Europe. Exports to Japan, which accounted for 18% of the total, were 10% above their 1984 level, while exports to "other" countries (34 of the total) rose by 32%. Exports to the Western Europe market (including the United Kingdom), which accounted for 44% of the total, were down by 2%. The other 4% went to Canada; these exports rose by 14%.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

January 31, 1986

PRODUCTION (000 TONS)

	Dec. 85	Nov. 85	Dec. 84	Jan. - Dec. 85	Jan. - Dec. 84	% Change 85/84
PAPER GRADES						
Newsprint	437	438	429	5427	5539	-2.0
Printing & Writing	1472	1540	1432	18426	18403	0.1
Uncoated Groundwood (s)	117	137	113	1502	1565	-4.0
Coated Paper (s)	446	472	506	5861	6249	-6.2
Uncoated Free Sheet Paper (s)	799	817	702	9722	9207	5.6
Thin Paper (s)	21	21	21	275	275	0.0
Cotton Fiber Paper (s)	12	13	11	144	147	-2.4
Bleached Bristols (s)	78	80	79	923	959	-3.8
Tissue Paper	402	419	420	4941	4921	0.4
Total Pkg & Other Paper	410	421	385	5210	5555	-6.2
Unbleached Kraft Packaging & Indl. Converting (s)	271	273	254	3410	3666	-7.0
Other Paper *	139	148	131	1800	1889	-4.8
TOTAL PAPER	2721	2817	2666	34004	34417	-1.2
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1314	1354	1243	16434	17185	-4.4
Unbleached Kraft Linerboard	1229	1253	1167	15242	16037	-5.0
Other Unbl. Kraft Paperboard	86	101	77	1191	1149	3.7
Semichemical Paperboard	414	427	394	5084	5169	-1.6
Bleached Paperboard	330	327	303	3972	4048	-1.9
Recycled Paperboard	598	659	549	7701	7637	0.8
TOTAL PAPERBOARD	2656	2767	2489	33190	34039	-2.5
TOTAL PAPER AND PAPERBOARD	5377	5584	5155	67195	68457	-1.8

WOOD PULP (ALL GRADES)	Nov. 85	Oct. 85	Nov. 84	Jan. - Nov. 85	Jan. - Nov. 84	% Change 85/84
Dissolving & Special Alpha	97	106	101	1084	1120	-3.2
Bleached Sulfite	112	118	108	1263	1247	1.2
Unbleached Sulfite	16	17	19	189	242	-22.1
Bleached & Semi-Bl. Sulfate	1950	1862	1862	20675	20560	0.6
Unbleached Sulfate	1599	1687	1644	17953	19198	-6.5
Semichemical	328	353	326	3726	3770	-1.2
Groundwood & Thermomechanical	420	454	437	4851	5065	-4.2
TOTAL PULP DIVISION DATA	4521	4595	4497	49741	51202	-2.9

(s) - Shipments R - Revised
P - Preliminary

JANUARY 31, 1985

	Full Year		INDUSTRY DATA 1985			Ann. Rate Year - To - Date	% From Same Pd. Last Year
	1983	1984	R	R	P		
PAPER AND PAPERBOARD -- Tons (000)			Oct	Nov	Dec	1985	
Total Production (API)....: excluding :...	65000	68457	5825	5584	5377	67193	-1.8
Total Seasonally Adjusted....:construction:...			5613	5613	5943	67342	-1.5
Imports (including Products).: and wet :..E	8509	10576	987	916	920	11137	5.3
Exports (including Products).: machine :..E	4501	4309	334	323	325	4002	-7.1
Apparent Consumption.....: grades :...	69008 a	74724 b	6266	6206	6538	74476 c	-0.2
Paper Production & Tonnage Capacity.....	92.0 q	93.4 q	90.3	89.2	80.9	89.7 qh	-
Paperboard Production & Tonnage Capacity.....	90.8 q	94.8 q	91.3	90.8	80.7	90.1 q	-
			Sept	Oct	Nov		
IMPORTS.....:Including Construction and :...	8985	11075	1011	1020	941	11575	3.7
EXPORTS.....: WMB Grades (excl. HPB) :...	4568	4387	359	340	330	4078	-8.4
MARKET WOOD PULP PRODUCTION - Tons (000).....	6478	6891	519	569	585	6823	-1.4
TOTAL WOOD PULP PRODUCTION - Tons (000).....	52537	55548	4433	4595	4521	54260	-2.9
WOOD PULP IMPORTS - TONS (000).....	4093	4490	340	355	401	4502	1.3
WOOD PULP EXPORTS - TONS (000).....	3644	3594	298	269	363	3816	6.6
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			Sept	Oct	Nov		
Wood Pulp.....:consumption for:.....	51434	54864	4359	4597	4400	53430	-2.7
Waste Paper.....:construction & :.....	14696	16015	1244	1334	1287	15269	-3.5
TOTAL.....: WMB grades :.....	66130	70879	5603	5931	5687	68699	-2.9
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85442	87646	6904	7666	7112	86004	-2.4
EMPLOYMENT (000)			Oct	Nov	Dec		
Paper and Allied Products.....Total.....	661.6	682.3	684.1	688.2	688.1	683.5	0.2
Pulp, Paper and Board Mills.....Total.....E	258.2	263.9	254.3	254.1	255.8	257.7	-2.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	9.94	10.44	10.91	10.98	11.04	10.82	3.7
Pulp, Paper Mills.....E	11.70	12.45	13.33	13.46	13.45	13.12	5.4
Paperboard Mills.....E	12.11	12.94	13.73	13.98	14.00	13.59	4.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1985 Q2	1985 Q3	1985 Q4		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	5.92	7.21	8.00	8.84	9.47	8.49y	17.8
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			Oct	Nov	Dec		
:IN PULP, PAPER :...Production Workers.....	121.8	125.5	131.9	125.2	118.5	125.8	0.2
:AND BOARD MILLS:...All Employees.....	109.5	123.9	130.8	125.0	118.0	124.7	0.6
PAPER AND ALLIED PRODUCTS (Million $)			Sep	Oct	Nov		
Industry Shipments (Dept. of Commerce)*.....	78209	85990	8111	8097	8127	97317	1.8
Pulp, Paper and Paperboard*.....	36346	41539	3426	3483	3480	41714	0.9
Inventories (End of Period) - Total Industry*..	8729	9701	9660	9629	9658	9658	-0.9
Pulp, Paper and Paperboard*.....	3263	3662	3749	3720	3705	3705	3.3
			1985 Q1	1985 Q2	1985 Q3		
Sales (Corporations Only).....	65008	71841	17797	18262	17934	71997	-0.5
Earnings (Corporations Only).....	2327	3015	718	874	601	2924	-13.0
Depreciation (Corporations Only).....	2607	2798	765	761	804	3107	11.1
Net Worth (Corporations Only).....	27319	28160	2924	29797	29647	29647	2.9
PRICE INDEXES (Bureau of Labor Stats.)1967=100			Oct	Nov	Dec		
Pulp, Paper & Products, ex. Building Grades....	275.4	292.9	288.4	287.7	287.9	292.2	-0.2
Wood Pulp.....	347.1	395.0	337.7	333.1	332.0	347.2	-12.1
Waste Paper.....	N.A.	240.1	126.8	126.6	126.6	148.8	-38.0
Paper.....	282.3	303.2	301.4	301.0	301.2	303.6	0.1
Paperboard.....	250.8	280.6	265.4	264.2	264.6	275.5	-1.8
PAPER DEMAND (INDEXED: 1977=100)			Oct	Nov	Dec		
Total Paper Production *.....	118.6	124.1	121.7	122.1	125.7	122.9	-0.9
Paper New Supply *.....	123.3	127.7	130.0	129.0	131.0	128.9	0.9
Demand Indicators - (Weighted Average) *.....	123.0	136.7	142.8	144.2	145.2	142.0	3.8
Production of Nondurable Goods *...(21.2%)..	113.7	122.5	126.1	126.4	127.6	125.4	2.3
Disposable Income .....*.(23.9%)..	116.1	124.0	127.3	127.5	127.0	126.8	2.2
Total Printing and Publishing *...(54.9%)..	129.6	147.8	156.1	158.3	160.0	155.1	4.9
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	111.3	117.4	116.2	115.7	128.0	115.0	-2.1
Production for Domestic Use	107.7	115.2	114.7	114.5	125.0	113.8	-1.2
Demand Indicators - (Weighted Average) *.....	107.9	118.3	120.1	121.0	121.9	120.2	1.6
Production of Consumer Goods *...(62.2%)...	109.3	118.2	120.7	122.0	123.0	120.6	2.0
Production of Equipment *...(5.7%)...	121.7	140.5	147.1	148.5	148.9	147.2	4.8
Production of Materials *...(32.1%)...	102.8	114.6	114.3	114.2	115.1	114.6	.0
Trend Factor			Not Available				
NEWSPRINT MARKETS			Sept	Oct	Nov		
Consumption by Publishers - Tons (000).....	12671	12612	1084	1156	1145	13943	11.0
Newspaper Pub. and Printing Empl. Total(000)...	421.6	443.0	451.9	455.9	462.6	452.7	2.4
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	141126	157398	14587	14676	15639	151321	-3.5
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts..ex Wallpaper..Sales	26532	31876	2749	3179	2815	34487	8.1
Inventories (End of Period)..	2342	2724	2886	2943	3043	3043	8.6
FIBRE BOX DATA (Fibre Box Association)			Oct	Nov	Dec		
Fibre Box Shipments (Million square feet).....	262539	267849	26518	20720	14994	264128	-1.3
Container'bd Inventory at Mill & Plant(000Tons)..	2417	2482	2443	2464	2662	2662	-7.6
RETAIL TRADE (Million $)			Sept	Oct	Nov		
Total Retail Sales *.....	1171915	1291835	119558	119442	119226	1378164	16.5
Nondurable Goods Stores Sales *.....	743344	841417	73446	73437	73422	880541	12.5
GENERAL ECONOMIC DATA			Oct	Nov	Dec		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	109.2	121.4	124.8	125.1	126.2	124.5	3.2
PRODUCER PRICES(ALL COMMODITIES) (NDX 1967=100)..	303.5	311.4	309.3	309.7	310.2	309.8	-0.5
CONSUMER PRICES (ALL ITEMS) (NDEX 1967 = 100)....	298.4	311.1	314.5	315.6	316.4	315.5	1.4
			Sept	Oct	Nov		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billions $)...	747.4	785.2	824.4	830.2	837.2	837.2	6.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billions)...			1985 Q1	1985 Q2	1985 Q3		
G.N.P. or Expenditure - Current $.....	3401.6	3774.7	3917.3	3985.3	4016.2	3984.7	5.6
G.N.P. or Expenditure - 1982 $.....	3276.8	3489.3	3547.8	3585.1	3604.4	3579	2.6

.D Capita
Pap&Papbd Othr Tot Popul(mil)
.a - 584 + 20 + 609 234.5
.b - 631 + 21 + 652 236.7
.c - 622 + 21 + 643 238.8
.E - Last month estimated by API
.e - estimated by API

2 - Wood Pulp Production Statistics not yet available.
a - Adjusted for holiday shutdowns
b - Adjusted for inventory write off, API Statistical data
c - Adjusted for holiday shutdowns
d - Census unpublished data, statistical help & guide
N.A. - Not Available
P - Preliminary
Q - Quarter
R - Revised
y - Annual Series
* - Seasonally Adjusted